

9/21/07
CARLOS LEVIN
11-6-1962

PROPOSITION F

(THIS PROPOSITION WILL APPEAR ON THE BALLOT IN THE FOLLOWING FORM)

PROPOSITION F. CITY OF SAN DIEGO CHARTER AMENDMENT. Amend Sections 69, 71, 77, 91, 92 and 93 of Charter of The City of San Diego.			56,517 ⁰
Amend Section 69 to eliminate excessive detail and administrative language relating to the budget and supplying language requiring information in connection with the preparation and submission of the annual budget; amend Section 71 to authorize City Council to increase any amount or add new items to the annual appropriation ordinance and delete language which requires the permission of the Manager, Board, Commission or officer in charge of the department; amend second paragraph Section 77 to permit utilization of capital outlays fund for the initial furnishing and equipping of permanent public improvements; amend Sections 91, 92 and 93 to liberalize the inter-fund utilization of City monies to keep the City in a better cash position.	YES	89,340	
	NO	43,497 ⁰	68,764
158,104			

This proposed amendment amends the first paragraph and deletes paragraphs (a) through (j) and a portion of (k) of Section 69, amends Section 71, amends the second paragraph of Section 77, amends Section 91, amends Section 92, and amends Section 93 of the City Charter by deleting certain provisions thereof and by the addition of new provisions. The portions to be deleted are printed in ~~STRIKE OUT TYPE~~ and the portions to be added are underlined.

Section 69. FISCAL YEAR AND MANAGER'S ESTIMATE.

The fiscal year of the City shall begin with the first day of July and shall end with the next succeeding 30th day of June. On or before the first meeting in May of each year the Manager shall prepare and submit to the Council a budget of the expense of conducting the affairs of the City for the ensuing fiscal year. Departments not under the Manager shall submit their annual budget estimates to the Manager, or to such official as he may designate, and in such form as he shall require on or before April 15th for transmittal in proper form by the Manager to the Council. The budget shall include a summary outline of the fiscal policy of the City for the budget year, describing in connection therewith the important features of the budget plan; a general budget summary setting forth the aggregate figures of the budget in such manner as to show the balanced relations between the total proposed expenditures and the total anticipated income and other means of financing the budget for the ensuing year, contrasted with the corresponding figures for the current year. The classification of the estimate shall be as nearly uniform as possible for the main divisions of all Departments and shall give the following information: furnish necessary detailed fiscal information.

~~(a) A detailed estimate of the expense of conducting each Department and office of the City for the ensuing fiscal year, showing the objects of expenditure such as personal service, contractual service, materials and supplies, equipment, capital~~

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outlays, and fixed charges; and further consolidated or summarized under funds, organization units and character of expenditure:

(b) Expenditures for the corresponding items for the current year including the amounts estimated to the end of the current fiscal year with reason for increases and decreases recommended as compared with appropriation for the current year;

(c) The total value of supplies and materials on hand in each Department at the date of the preparation of the estimate;

(d) The total amount of City debt outstanding together with a schedule of maturities of bond issues by Departments, and a statement of borrowing capacity;

(e) A statement of the amounts which should be appropriated:

(1) For interest on the City Debt,

(2) For paying off any serial bonds maturing during the year,

(3) For payments on lease contracts,

(4) For the aggregate of the year for the equal installments required to be appropriated annually during the life of all other bonds of the municipality in order to accumulate a fund sufficient to pay off such other bonds at maturity,

(5) For disability and retirement payments, in addition to the contributions of City employees, sufficient to maintain the respective funds;

(f) An estimate of the amount which should be appropriated for contingent or emergency purposes;

(g) An itemization of all anticipated revenues of the City from sources other than taxes shown by Departments;

(h) An item to be known as the "unappropriated balance" which sum shall be available for appropriation later in the fiscal year to meet contingencies which might arise. The budget shall also contain an item to be known as the "reserve fund," which shall be carried over to the next ensuing fiscal year following the fiscal year for which the budget is prepared, to meet the cash requirements of the City for the portion of said next ensuing fiscal year prior to the receipt of taxes thereon, or for appropriations to the unappropriated balance fund, provided, that the Council shall create gradually such "reserve fund" as provided in Section 91 of this Article and shall add from year to year an amount sufficient to meet the cash requirements of the City; provided, however, that no transfers from this "reserve fund" shall be made at any time, except as authorized and limited in Section 91 of this Article.

(i) An estimate of the amount of money to be raised from taxes and bond issues which, with revenue from other sources, should be necessary to meet the expenditures proposed;

(j) A long-time program of proposed activities, developments and improvements listed in order of relative importance and specifying whether the work is to be done by bond issue or by taxation;

(k) Such other information as the Manager may think desirable or as may be required by the Council. The Council shall provide for printing a reasonable number of copies of the estimate thus prepared, for distribution to citizens at least fifteen days before final passage. Copies shall also be furnished to the newspapers of the City and to each library thereof which is open to the public.

Section 71. PREPARATION AND PASSAGE OF ANNUAL APPROPRIATION ORDINANCE.

Upon receipt of the Manager's estimate the Council shall at once prepare an

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appropriation ordinance using such estimate as a basis. The form, arrangement and itemization of the appropriation ordinance shall be determined and prescribed by the Auditor and Comptroller, and City Attorney. Provision shall be made by the Council for public hearings upon the appropriation ordinance either before a Committee of the Council or before the Council sitting as a committee of the whole. Following the public hearings the appropriation ordinances shall take the same course in the Council as other ordinances but shall not be passed before the first meeting of the Council in July. The Council may reduce or eliminate any item, but may not increase any amount or add any new item for personal services, contractual services, materials, supplies, and equipment for any Department unless requested in writing so to do by the Manager or by the Board, Commission or officer in charge of a Department not under the jurisdiction of the Manager. Upon final passage, the appropriation ordinance shall be published in the manner provided for the publication of other ordinances.

Section 77. CAPITAL OUTLAYS FUND.

There is hereby created a fund in the City Treasury, to be known as the Capital Outlay Fund. Into this fund each year there shall be placed all moneys derived from taxation required or needed for capital outlay expenditures and all proceeds received from the sale of city-owned real property.

The moneys in the Capital Outlay Fund shall be used exclusively for the acquisition, construction and completion of permanent public improvements, including public buildings and the initial furnishing and equipping thereof, real property, water and sewer mains and extensions, and other improvements of permanent character, and also the replacement or reconstruction of the same, but not the repair or maintenance thereof, and shall not be used for any other purpose or transferred from said fund, except with the consent of two-thirds of the qualified electors of said City, voting at a general or special election.

No moneys in said fund shall be transferred at the end of a fiscal year, but shall remain therein as trust moneys for the purposes above outlined, and the said fund shall be used and maintained, if possible, as a cash reserve to enable the City to meet public emergencies or acquire needed permanent public improvements without the issuance of bonds.

Each year the Council may appropriate from said fund in the Annual Appropriation Ordinances, except for use of the Harbor Department, sufficient moneys to care for the needs of the various departments of the City for capital outlay expenditures of a permanent character.

Section 91. GENERAL RESERVE ACCOUNT FUND.

The Council shall create and maintain a permanent revolving account fund, to be known as the General Reserve Account Fund, for the purpose of keeping the payment of the running expenses of the City on a cash basis. Said account fund shall be maintained in an amount sufficient to meet all legal demands against the treasury for the first four months or other necessary period of each fiscal year prior to the collection of taxes. The Council shall have no power to transfer from the General Reserve Account to any other account or fund any moneys except such sum or sums as may be required for the purpose of placing such account or fund as nearly as possible on a cash basis, and except in the event of a public emergency, when it shall be determined by a vote of at least five (5) members of the Council that such moneys shall be expended in order to insure the safety and lives and property of the City or its inhabitants. This fund may be expended only in the event of a public emergency when it shall be determined by the affirmative

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vote of at least two-thirds of the members elected to the Council that such expenditures are necessary in order to insure the safety and lives and property of the City or its inhabitants. It shall be the duty of the Council to provide that all moneys so transferred from the General Reserve Account be returned thereto on or before the end of the fiscal year in which said transfers are made; provided, that in any fiscal year in which the total balance in said General Reserve Account exceeds thirty per cent of the total amount of the general budget for that year, the Council may appropriate such excess for any City purpose without returning the same. (See subsection (h) Section 69.)

Section 92. BORROWING MONEY ON SHORT TERM NOTES.

If there is not sufficient cash reserve to meet current obligations, bonds or notes may be issued in anticipation of the collection of special assessments, and bonds, notes, or registered warrants on the treasury may be issued in anticipation of the collection of taxes, as authorized by the City Council by ordinance and shall not be deemed the creation of debt within the meaning of Section 90 of this Article. Bonds, notes, or registered warrants on the treasury issued in anticipation of the collection of the taxes of any fiscal year shall be issued only during the first four months or other necessary period of such each fiscal year and each such bond, note, or warrant shall specify that it is payable solely out of the first revenues taxes of the fiscal year in which issued, and before the close of such year, and shall not bear a higher rate of interest than five (5) per cent per annum, and the total amount of such bonds, notes or warrants, authorized and issued in any fiscal year shall not, in the aggregate, be more than twenty-five (25) per cent of the total appropriations of the City for such year. Nothing herein contained shall be construed to authorize the incurring of an obligation against the municipality in excess of that authorized to be incurred by the constitution of the State of California.

Section 93. LOANS AND ADVANCES.

The City Council may from time to time authorize the advance of moneys in the treasury as a temporary loan to any tax-supported fund, which loan shall be repaid from the first property taxes received thereafter; provided, however, that such temporary loans shall not exceed the current property taxes receivable. It shall be lawful from time to time to advance money in the General Fund to any bond fund or to use any money in the General Fund for any purpose for which a loan shall have been authorized and bonds actually voted but not yet issued and sold, and the City officials need not sell said bonds until it is necessary to repay the General Fund advances or to replenish such loan fund or funds. The credit of the City shall not be given or loaned to or in aid of any individual, association or corporation; except that suitable provision may be made for the aid and support of the poor.

ARGUMENT FOR PROPOSITION F

Restrictive language in the present Charter creates certain inefficient and uneconomical procedures in the use of public monies.

The Charter now limits the authority of the Council in dealing with financial appropriations to reduction or elimination of any item in the budget as submitted by the Manager; all increases must be recommended by him. The Council, as the representative elected body should have full responsibility and authority, including increasing or adding new items in the budget, and its judgment should not be subject to a check by appointed officials not responsible directly to the voters.

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Expenditures from the Capital Outlay Fund are authorized for construction of improvements but not for furnishing moveable equipment used therein. The initial equipping of a new fire station with fire engines and related equipment is as reasonable an expenditure of capital outlay funds as is the construction of the fire station itself. The proposed change of Section 77 will clarify this.

Present wording in the Charter permits advance of monies in the General Fund to any fund for which the sale of bonds has been authorized. The proposed amendments place in the hands of the Council authority to advance any monies in the treasury to any tax supported fund as may be required for the most economical operation of the city. This will save the city considerable sums.

Adoption of the amendments set forth in this proposition would result in strengthening the financial position of the city through the more efficient utilization of tax monies by reducing the amount of taxes collected and lying idle during a great part of the year, and through focusing responsibility for fiscal policies on the elected City Council.

Howard L. Chernoff
Chairman
Citizens Charter Review Committee

ARGUMENT AGAINST PROPOSITION F

No argument against this proposition was filed in the Office of the City Clerk.

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